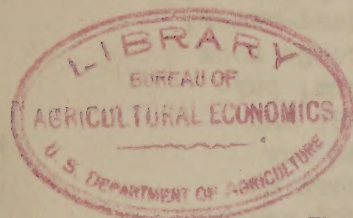


Issued November 10, 1938.

INSTRUCTIONS FOR STATE AND COUNTY COMMITTEES
FOR DETERMINING ELIGIBILITY AND COMPLETING
DOCUMENTS FOR CORN LOANS UPON 1938 CORN



Introduction

These instructions are similar to those pertaining to loans upon 1937 ear corn and should be thoroughly understood and followed by each person working with loans. The loans are chattel mortgage loans and the loan documents must be accurate, properly signed, complete, and filed of record with the proper county official to be acceptable and avoid delay. No partial releases of collateral will be permitted. Producers having more than one crib who may desire individual releases on each crib should place individual cribs under separate mortgages.

Loans will be made available upon 1938 corn on the ear in farm storage only for the commercial corn area and the Northern noncommercial area (listed in Sections 2-a and 2-b, of 1938-39 CCC Corn Form 1).

State and county committees will be governed in the inspection and sealing of corn as collateral for 1938-39 corn loans by Commodity Loan Regulations No. 1, "Regulations Governing Inspection and Sealing of Agricultural Commodities on the Farm to be used as Collateral for Loans, and the Completion of Loan Documents, Pursuant to the Provisions of the Agricultural Adjustment Act of 1938, as Amended."

Part I

SECTION 1 - Applicants. Producers desiring loans should make application to the county agricultural conservation committee (hereinafter called the county committee). Members or employees of the county committee should explain the program to the producer, determine his eligibility, and advise him as to the probable eligibility of his corn and storage. If these determinations indicate that the producer and his corn are eligible for a loan, the county committee should collect the preliminary inspection fee of \$3.00 and instruct the inspector to make an inspection and complete a work sheet, (Corn Loan 1).

The inspector should make a preliminary inspection of the corn and the storage structure. If he considers them eligible for a loan he will then measure the corn, complete a work sheet (Corn Loan 1), and take a representative sample of the corn to be forwarded to the State office for a moisture determination. The inspector must use an ear corn probe for taking the sample and should place a seal upon the crib before leaving the premises.

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SECTION 2 - Producer Eligibility. As defined in Corn Form 1, an eligible producer for any farm in the commercial corn area shall be any person, partnership, association, or corporation producing corn as land-owner, landlord, or tenant, upon whose farm the 1938 field corn acreage does not exceed the corn acreage allotment established for the farm, pursuant to Title III of the Agricultural Adjustment Act of 1938; and in the noncommercial corn area, an eligible producer shall be any person, partnership, association, or corporation producing corn as landowner, landlord, or tenant, upon whose farm the total 1938 acreage of soil-depleting crops does not exceed the total acreage allotment for soil-depleting crops established for the farm pursuant to the provisions of the 1938 Agricultural Conservation Program.

The eligibility requirements pertaining to the 1938 corn acreage and soil-depleting acreage apply individually to each farm as determined under the 1938 Agricultural Conservation Program. Any producer upon whose farm the applicable acreage allotment has been exceeded claiming eligibility on the grounds of having not knowingly exceeded such allotment, may present evidence in the support of his claim to the county committee. The producer's claim for eligibility may be granted if he can prove (1) his acreage allotment was not available in the county office before he had completed planting, provided his plantings do not exceed 90 percent of his usual acreage of corn (NCR-209 Col. 27) if the farm is in the commercial corn area or 94 percent of his usual total soil-depleting acreage (NCR-209 Col. 11) if the farm is in the noncommercial corn area; or (2) his acreage allotment shown on the original notification was larger than the correct allotment and such incorrect allotment was not exceeded; or (3) his plantings were based on the last recorded field measurements made under the Agricultural Conservation Program which after planting were determined to be incorrect; or (4) his overplanting did not exceed 2 percent and the excess was due to his unintentional errors in determining the size of fields.

Failure of the producer to secure available information regarding acreage allotments will not be acceptable evidence for granting a claim for eligibility. The county committee will review all claims for eligibility and submit the evidence together with its recommendation to the State Committee or its representative for final determination.

When a producer stores corn for a loan in a county other than the county in which the corn was produced, the committee for the county where the corn is stored must secure a written certification of eligibility from the county committee where the corn was produced before certifying the loan.

SECTION 3 - Eligible Corn. The county committee should inform the producer that the corn must meet the following requirements to be eligible for a loan. Eligible corn shall be merchantable field corn produced in 1938, husked and in the ear, containing not more than 20 1/2 percent moisture, when stored in cribs of acceptable widths, and which otherwise grades No. 3 or better, as defined in the official grain standards of the United States on the basis of a representative

sample taken from each crib of corn offered as collateral for a loan, provided that:

- (1) The beneficial title to such corn is and always has been in the eligible producer; or
- (2) Such corn was purchased in accordance with the following: An eligible producer who will operate a different farm in 1939 from that operated in 1938 may purchase corn produced (by another eligible producer) in 1938 on the farm which he will operate in 1939 and place such corn under a loan. The number of bushels of such purchased corn which may be placed under loan shall not exceed the number of bushels of corn produced in 1938 by the producer on the farm operated by him as an eligible producer in 1938. In such cases, the corn produced by the producer on the farm he operated in 1938 shall not be eligible for a loan to the extent that corn purchased, as provided in this paragraph, is placed under loan.

SECTION 4 - Eligible Storage Structures. Shall consist of cribs which are of such substantial and permanent construction as to afford safe storage of corn for a period of 2 years and afford protection against rodents, other animals, thieves, and weather, as determined by the county agricultural conservation committee. Location: The crib should be a separate unit located (a) in or near the farmstead group for protection against loss by theft, (b) on a well-drained site safe from damage by floods or surface water; and (c) far enough away from other buildings, hay, and straw stacks, to avoid danger from fire. Cribs located in enclosed buildings where livestock is housed will not qualify as suitable storage.

Foundation: Substantial enough to bear the load of corn and crib without the possibility of its settling to an extent which might cause the crib to warp and break open. Floor: Strongly constructed and high enough above the ground level to facilitate ventilation and afford protection against damage to the stored corn from moisture and rodents. Walls: Slatted, cribbed, or ventilated on both sides beginning at the floor line. Width: Sufficiently narrow to afford ample cross ventilation to dry out corn under the prevailing climatic conditions of the locality where the crib is situated. (Defined in Section 5 hereof) Roof: Tight and substantial enough to protect the corn against prevalent weather conditions for a period of 2 years. Structure: Studs, joists, braces, and crossties of sufficient dimension and frequency to withstand any ordinary breaking pressure. Sealing of Structure: The crib must be completely and securely enclosed and sealed in such manner as to require a forceful breaking to make an entry therein.

SECTION 5 -- Acceptable Crib Width. The most important dimension to be considered in the safe storage of corn is width. A map showing recommended maximum width for rectangular cribs in the commercial corn area is shown on page 5 of the Bulletin entitled "Corn Storage in the Ever-Normal Granary."

State and county committees are hereby instructed to reject corn offered as collateral for a loan which is stored in a crib having a maximum width greater than the recommended width for the county, unless the moisture content of the corn is at least 1 percent less than 20 1/2 percent for each foot or fraction thereof in excess of the recommended width.

Illustration: If the recommended crib width for the county is 7 feet and a crib containing corn offered as collateral is 10 feet wide, the corn shall be rejected if it tests more than 17 1/2 percent.

The cribs widths for different areas as recommended by the United States Department of Agriculture are as follows:

Illinois -

6 foot area - Lake and McHenry Counties.

7 foot area - Boone, Carroll, Cook, DeKalb, Du Page, Grundy, Iroquois, Jo Daviess, Kane, Kankakee, Kendall, La Salle, Lee, Stephenson, Whiteside, Will, and Winnebago.

8 foot area - All other counties.

Indiana -

6 foot area - Allen, Elkhart, Dekalb, Kosciusko, La Porte, La Grange, Marshall, Noble, Stark, Steuben, St. Joseph, and Whitley.

7 foot area - Adams, Benton, Blackford, Carroll, Cass, Clinton, Delaware, Fayette, Franklin, Fulton, Grant, Hamilton, Hancock, Henry, Howard, Huntington, Jasper, Jay, Madison, Miami, Newton, Pulaski, Randolph, Rush, Tippecanoe, Tipton, Union, Wabash, Wayne, Wells, White.

8 foot area - All other counties.

Iowa -

6 foot area - Allamakee, Clayton, Howard, Winneshiek,

7 foot area - Buchanan, Blackhawk, Bremer, Butler, Cerro Gordo, Chichasaw, Clinton, Delaware, Dickinson, Dubuque, Emmett, Fayette, Floyd, Franklin, Hancock, Jackson, Jones, Kossuth, Mitchell, Osceola, Winnebago, and Worth.

8 foot area - All counties not listed in the other three areas.

9 foot area - Adams, Cass, Fremont, Harrison, Mills, Montgomery, Page, Pottowatomie, Shelby, and Taylor.

Michigan:

6 foot area - All counties.

Minnesota:

6 foot area - All counties not in 7 foot area.

7 foot area - Brown, Blue Earth, Cottonwood, Faribault, Freeborn, Lincoln, Lyon, Martin, Murray, Nobles, Pipestone, Rock, Watonwan, Redwood and Waseca.

Missouri:

8 foot area - All counties except those in the 9 foot area.

9 foot area - Andrew, Atchison, Bates, Barton, Buchanan, Cass, Clay, Clinton, DeKalb, Gentry, Holt, Jackson, Jasper, McDonald, Newton, Nodaway, Platte, Vernon and Worth.

Nebraska:

8 foot area - Boyd, Box Butte, Brown, Cedar, Cherry, Dakota, Dawes, Dixon, Holt, Keyapaha, Knox, Rock, Sheridan, Sioux, and Wayne.

9 foot area - All counties not listed in the other areas.

10 ft. area - Adams, Buffalo, Clay, Chase, Custer, Dawson, Dundy, Fillmore, Franklin, Frontier, Furnas, Gosper, Hall, Hamilton, Harlan, Hayes, Hitchcock, Howard, Jefferson, Kearney, Keith, Lincoln, Merrick, Muckolls, Phelps, Perkins, Red Willow, Saline, Sherman, Thayer and Webster.

Ohio:

6 foot area - Allen, Ashland, Ashtabula, Carroll, Columbia, Coshocton, Cuyahoga, Crawford, Defiance, Erie, Fulton, Geauga, Hancock, Harding, Harrison, Henry, Holmes, Huron, Jefferson, Knox, Lake, Loraine, Lucas, Marion, Mahoning, Medina, Morrow, Paulding, Putnam, Portage, Otta, Richland, Sandusky, Stark, Seneca, Summit, Trumbull, Tuscarawas, Van Wert, Wayne, Williams, Wood, and Wyandot.

7 foot area - All other counties.

South Dakota:

6 foot area - Brown, Campbell, Clark, Codington, Day, Deuel, Edmunds, Faulk, Grant, Hamlin, McPherson, Potter, Roberts, Walworth.

7 foot area - All counties not listed in the other areas.

8 foot area - Bon Homme, Charles Mix, Clay, Douglas, Gregory, Hutchinson, Lincoln, Turner, Union, and Yankton.

Wisconsin:

6 foot area - All counties.

SECTION 6 - Liens. The inspector will secure from the applicant the names of lienholders having liens on the corn offered as collateral. These names shall be listed on the work sheet. If there are no lienholders, the word "none" should be entered.

Prior to the preparation of the Note and Mortgage, the county committee shall check the list of lienholders supplied by the producer with the county records to be certain that all existing liens of record in force with respect to the corn are known. These records are so maintained that once the method of keeping them is explained by the person in charge to a representative of the county committee, such representative will have no difficulty in quickly ascertaining the existence of any liens of record with respect to corn offered as collateral for a loan. The person checking the records should make a memorandum of the liens so that waivers may be secured. It may be practical for the county committee to arrange with the county recording official for a lien abstract. 1938-39 CCC Corn Form A-1 provides for the listing of lienholders and their waivers. Corn Form 1 gives this duty to the producer; however, the county committee may be of service and expedite the approval of the loan.

SECTION 7. Corn Producer's Note, Advice of Loan and Chattel Mortgage.

1938-39 CCC Corn Form A "Corn Producer's Note" with "Advice of Loan" attached is printed separately from the "Chattel Mortgage" 1938-39 CCC Corn Form A-1. The Corn Producer's Note (1938-39 CCC Corn Form A) is printed in duplicate, the original copy when signed by the producer is transmitted to the payee, the second copy, unsigned, is retained by the producer.

Corn Producer's Note.-- The amount of the loan in dollars must conform to the amount entered in column "e", Section 1, of the chattel mortgage. If the loan is made direct, Commodity Credit Corporation should be typed in as the payee. If the loan is made with a bank or other local lending agency, the local lending agency should be designated as the payee. The signature of the producer must conform to his name as typed on the chattel mortgage, the note must bear the signature of a witness, and be dated when signed by the producer.

The date on the note must also be identical with the date on the chattel mortgage. The serial number on the note must include the State and County code numbers (Illustration 42-55-01) and correspond with the serial number on the chattel mortgage.

Advice of Loan - The advice of loan must be completed, detached, and mailed to the Commodity Credit Corporation, Washington, D. C., upon the acceptance of a loan by the lending agency and may as a matter of convenience be completed in the county office. The name of the State and county and the serial number of the loan as indicated in the upper right-hand corner of Corn Form A should be typed in the space provided immediately under the words "Advice of Loan." The date line on advice of loan should be left blank by the county committee and filled in by the loan agency upon acceptance of the loan papers.

Enter in the spaces provided in the schedule (1) the producer's name and address (city, county, and State) which should be the same as that given immediately below the title on the chattel mortgage, (2) the date of the note as indicated in the upper right-hand corner of the note, the net number of bushels of corn which should be the same as the total in column (c) in the schedule in Section 1 of the chattel mortgage, and (3) the amount of the loan which should be the same as that entered in the note and as the total in column (e) of the schedule in Section 1 of the chattel mortgage. Also type in the space provided, the name and address of the lending agency.

Chattel Mortgage - The chattel mortgage (Corn Form A-1) is printed in triplicate and must be prepared in the office of the county committee. If a fourth copy is desired for filing in the county association office, an additional copy may be prepared. Each chattel mortgage shall be assigned a serial number which is to be used in connection with the State and county code numbers. In the upper right-hand corner of Corn Form A-1, type the State and county names, then insert the serial number (Illustration: 42-55-07). Such serial numbers shall be assigned consecutively, typed on the note and should also be entered below the seal number in the upper right-hand corner of the worksheet (Corn Loan 1). The producer's address may be outside the county where the collateral is stored and should be carefully typed under the heading "Chattel Mortgage." The amount of the loan, date, and payee, typed under this heading, must conform to that stated on the note.

- A. Section 1 of Corn Form A-1 requires a legal description of the premises on which the corn is stored and a schedule of the collateral as follows: (a) seal number on crib; (b) moisture percentage; (c) number of bushels as finally computed on the work sheet for a loan; (d) loan value; and (e) the amount of the loan in dollars, which must conform to the amount listed in the note.
- B. Section 2, paragraph C of Corn Form A-1 requires a statement as to tenancy. Strike out word not applicable in paragraph e.
- C. Section 10 of Corn Form A-1 provides for signatures, witnesses, and the acknowledgment. Signatures and authorizations should be in accordance with Form ACP-16, "Instructions on Signatures and Authorizations," issued by the Agricultural Adjustment Administration October 1, 1936.
- D. Section 11 of Corn Form A-1 provides for the listing of the names of lienholders, if any, and their waivers. If there are no lienholders, insert the word "none." The names and signatures in this section must be the same as on the recorded liens.
- E. Section 12 - Consent for Storage. The producer must secure consent for storage as provided by section 12 of Corn Form A-1. This may be done at the time the landlord's waiver of lien is secured. If any tenancy, other than that indicated in Corn Form A-1 exists, such person should also sign the consent for storage.

F. Section 13 of Corn Form A-1 provides for certification by a member of the county committee for and on behalf of the county committee. After preparation of Corn Form A-1 it should be carefully checked to be sure it is complete and proper. In no event shall the county committee certify a loan until the following loan documents are complete and properly signed. The date of certification must be the same date or a date subsequent to the date on the note and mortgage.

1. Corn Producer's Note (1938-39 CCC Corn Form A)
2. Chattel Mortgage (1938-39 CCC Corn Form A-1)
3. Certificate of Insurance
4. Producer's Letter of Transmittal to Commodity Credit Corporation (1938-39 CCC Corn Form B) or Producer's Letter of Transmittal to Local Lending Agency (Corn Loan 5), whichever is applicable.

Section 8 Filing of Chattel Mortgage. Corn Form A-1 should be filed of record with the proper county recording official in accordance with the instructions contained in CCC Corn Form 1. In the event the mortgage is not accepted by Commodity Credit Corporation as a direct loan or when offered for purchase to the Corporation by a local lending agency and it is necessary to complete a new mortgage, the original mortgage should be released of record at the time the new mortgage is filed. It is the duty of the mortgagee to release the mortgage from record. In all cases where the Commodity Credit Corporation is the mortgagee the county committee is authorized to release the mortgage. In cases where a local lending agency is the mortgagee such lending agency should release the mortgage from record and return it to the county committee or return it to the county committee with instructions to release.

Such release may be made by filing a separate instrument or by a margin release on the county records. Information regarding releases may be secured from the office of the recording official.

Section 9 - Insurance. There are two types of insurance coverage in connection with the corn loan program. These coverages are referred to as primary insurance and secondary insurance. The producer must obtain the primary insurance coverage on the corn and submit evidence of the same in the form of a complete certificate of insurance as shown in CCC Corn Form 1. The secondary insurance refers to the blanket policy carried by the Commodity Credit Corporation to protect it against errors or omissions in the primary insurance coverage, (example: failure of primary insurance company to pay loss), and also against loss on account of theft, conversion, and certain other risks not covered by the primary insurance carried by producers. The cost of this insurance will be added as a charge to the amount of the loan at the time the loan is paid. The rate of this insurance is _____ cents per \$100 per month on the daily average balance of loans carried by the Commodity Credit Corporation. The charge made to the borrower is only for the time his note is held by the Commodity Credit Corporation.

Section 10 - Transmittal of Loan Documents. Corn Form A and Corn Form A-1 duly stamped by the proper county recording official and insurance certificate should be submitted to the payee together with a letter of transmittal. If the producer's note is direct to the Commodity Credit Corporation as payee, 1938-39 CCC Corn Form B must be used and the loan documents submitted to the Reconstruction Finance Corporation agency serving the area. If the loan is to be carried by a local lending agency the loan documents should be submitted to such agency with Corn Loan 5 (Producer's Letter of Transmittal to Local Lending Agencies) attached. Letters of transmittal are for the purpose of identifying the person transmitting the note and mortgage and to advise the lending agency to whom the proceeds of the loan should be paid.

Section 11 - Record of Certifications. A summary record of all certifications made by the county committee recommending producers for corn loans will be maintained on form Corn Loan 4 entitled "County Committee Report of Corn Loans Certified." This form is to be prepared in triplicate, one copy to be retained in the county office and two copies to be sent to the State committee on the first and sixteenth days of each month during the loan period. The State committee shall forward one copy to the office of the Regional Director.

Section 12 - Determination of the Amount of the Loan. All calculations made on the work sheet in arriving at the net quantity of corn for a loan should be recomputed by the county committee. The number of cubic feet of ear corn less the space occupied by ventilators, cross ties, braces, etc., should be divided by $2\frac{1}{2}$ or multiplied by 0.4 to determine the number of bushels.

Section 13 - Deduction for Equipment and Supplies. The Commodity Credit Corporation has purchased and will continue the purchase of testing and grading equipment and supplies to be used by the State committees in conducting the Commodity loan programs. In order to defray the corporation's expenses in this connection county committees are instructed to deduct one-tenth ($\frac{1}{10}$) cents per bushel from the inspection and sealing fees collected on all loans certified and reported on Corn Loan 4. The county association treasurer shall transmit these funds on the first of each month to the Commodity Credit Corporation, Washington, D. C.

Part II

INSTRUCTIONS FOR INSPECTORS, COMPLETION OF WORK SHEETS, AND THE TAKING OF REPRESENTATIVE SAMPLES

The inspector will proceed with the completion of the Work Sheet in accordance with the instructions contained herein, the taking of a representative sample of the corn, and the mailing of the franked and addressed moisture-proof containers used to ship representative samples of corn to the State office. Work Sheets for each inspection should be signed by the chairman of the county committee or secretary of the county association and supplied the inspector in order that he may place the sample and Work Sheet in the mail for transmission to the State office without returning to the county office.

County committees should supply their inspectors with the bulletin entitled "Corn Storage in the Ever-Normal Granary" (38-Corn-2). Inspectors should study this bulletin thoroughly before starting their inspection work and give copies to producers who are interested in improving their corn storage structures.

Moisture and Grade Determination. The space for certifying the determination of moisture and grade are for the use of the State office.

PREPARATION OF WORK SHEET

Inspectors shall follow these instructions in making inspections of and classifying the various parts of a crib, taking corn measurements, and recording of such data on the Work Sheet. Inspectors should suggest to producers whose cribs do not conform to the requirements, the repairs or improvements necessary to meet the requirements. A Work Sheet must be completed for each crib of corn offered as collateral for a loan.

GENERAL INFORMATION

Indicate by check mark (✓) where possible.

Item 1. Print the borrower's name as it is to appear on the Note and Loan documents. The borrower's address must be given. Indicate whether owner or tenant by striking the word not applicable.

Item 2. Give the distance and general direction from the nearest city or town and the legal description of the property upon which the crib is located.

Item 3. A separate structure especially constructed for corn storage is desirable. Such structures usually offer more protection from rodents, and ordinarily the fire hazard is not so great. A crib built in enclosed livestock quarters will not be acceptable.

Cribs built as a part of machine sheds and other buildings which do not house livestock may be acceptable. Extra precaution should be taken by the producer to protect the corn in such cribs from rodents.

If the crib is not a part of the farmstead group and is in an isolated location, extra precaution should be taken by the producer to prevent theft of the corn collateral.

Cribs located on river or creek bottom land, subject to overflow, are not suitable storage structures and should not be sealed for that purpose.

Indicate what kind of structure, if any, the crib is located in; the number of feet the structure is from the nearest building; whether the storage structure is a part of the farmstead group; whether the land on which the structure is located is subject to overflow; and indicate exposure to winds.

CONSTRUCTION OF CRIB

Item 4. A crib may be built of different materials, but must meet the following general requirements to be acceptable: (1) hold the corn without loss of quantity; (2) protect the corn from rain, snow, and ground water; (3) provide reasonable protection from damage by mice, rats, and other animals; (4) provide reasonable protection against loss by fire or wind; (5) permit free ventilation through the side walls. Cribs which do not meet these requirements can often be made acceptable by repairing or rebuilding at a reasonable cost.

The dimensions requested in Item 4 are the over-all measurements of the crib structure, namely, width, length, height of outside wall at the eave plate and diameter if the building is round.

Item 5. A good foundation is very essential to the life and usefulness of a crib. One of the most satisfactory types of foundation is a concrete wall extending below the frost line in the ground and above the ground level at least 18 inches. Concrete piers, stone walls, and stone piers may serve satisfactorily for small cribs but may settle unevenly when overloaded, thereby causing the building to break open and deteriorate rapidly. Wood sills and piers are frequently used for small cribs but are always subject to rapid decay, and cribs with this type of foundation should not be sealed for a loan if the sills and piers are in a condition which would make the storage of corn hazardous. A continuous foundation wall supporting a wooden floor should have screened openings for ventilation.

Item 6. Crib floors - Solid concrete floors should extend at least 12 inches above the ground level. Low, concrete floors are not desirable in that they may become very wet and cause the corn in the bottom of the crib to spoil. A concrete floor with shelling trench is more desirable than a solid concrete floor, since such floors must necessarily be 18 to 24 inches above the ground level and the plank covered trench allows free circulation of air under and into the bottom of the crib.

Wood floors built on a proper foundation are ordinarily never constructed so tightly, but that they allow ventilation in the bottom part of the crib and this enables the corn in the lower part of the crib to dry out, whereas if it were not for this ventilation, the corn might spoil. Such floors should be from 12 to 24 inches above the ground level. This affords protection against moisture and allows better ventilation under the crib. Any crib which is high enough above the ground so that cats and dogs can run underneath the floor will be relatively free from rodents.

Steel cribs are frequently constructed with metal floors. Such floors should be at least 8 inches above the ground. A good precaution before filling such crib with corn is to lay a board floor on the metal in order to prevent the corn in the bottom of the crib from spoiling.

Item 7. Crib walls must be strong enough and properly braced to withstand the outward and downward pressure of the corn. Studs should be securely attached to the floor and of such dimension and spacing as is necessary to withstand the pressure of stored corn. Horizontal beveled boards with one inch spacing are preferred. Tight siding should extend down from the plate line $1/5$ to $1/3$ the height of the wall. When wire or slat cribbing is used crib boards or metal extending upward 2 feet from the floor should be used to protect the corn from poultry and small livestock.

Item 8. Proper bracing is one of the most important features of good crib construction. A great amount of material in braces is not necessary, but the proper choice and placing of this material and good fastenings are highly important. Cross ties of wire or steel rods are usually undesirable. Desirable types of crib bracing are described and illustrated in the bulletin entitled "Corn Storage in the Ever-Normal Granary".

Item 9. The inspector should see that the roof is tight, substantial and well nailed. Rollroofing is subject to wind destruction and ordinarily not satisfactory as a covering for a permanent roof.

Item 10. Crib walls should be slatted or have ventilation openings on both sides upward from the floor line to permit cross ventilation. Small cribs should be slatted the full height except for 18 to 24 inches under the eaves. High cribs should be tight-sided downward $1/5$ to $1/3$ the distance from the upper plate line. Ventilators or flues may be necessary to accelerate drying of the corn.

Item 11. Cribs must be completely and securely enclosed so as to require a forceful breaking to make entry.

Item 12. Indicate method of harvesting and date started.

MEASUREMENTS AND QUANTITY DETERMINATION

If the county committees will have inspectors use steel tapes which indicate the measurements in feet and tenths they will secure more accuracy in measurement and find computations much easier to make.

Item 13. All figures listed under this item must be actual measurements, not estimates. The measurements of the corn must be inside crib measurements and must be taken very carefully. Before measuring the height of the corn, the inspector should insist that the corn be leveled off evenly. Extreme care should be taken in measuring the diameter of a round crib. The inspector should get inside on top of the corn to measure the inside diameter of the crib and the outside diameter of the ventilator, if any.

Item 14. The volume of a rectangular crib is computed by multiplying the width by the length by the height, which gives the cubic feet.

The volume of a round crib is computed by multiplying .7854 (one-fourth of pi 3.1416) times the square of the inside diameter and multiplying the product by the average depth of the corn. (Formula $.7854 \times D^2 \times H = \text{cubic feet}$). If the bin has a round ventilator, the square of the outside diameter of the ventilator should be deducted from the square of the inside diameter of the crib before multiplying. (Formula $.7854 \times (D^2 - d^2) \times H = \text{cubic feet}$), or the volume of the crib and ventilator may be computed separately using the first formula, then subtracting the volume of the ventilator from the volume of the crib.

Item 15. Where cribs of any type contain chutes, ventilators, stud, cross-ties, etc., (not including ventilators referred to in Item 14) which take up space included in the over-all measurements of the corn, careful measurements should be taken and the total volume in cubic feet should be shown on Item 15.

Item 16. Deduct Item 15 from Item 14. The result is the volume of stored corn in cubic feet.

Item 17. Item 16 may be transferred to bushels by merely dividing the number of cubic feet by $2\frac{1}{2}$, or multiplying by 0.4, either of which will give the result in bushels.

Item 18. Indicate deduction in percent for excess stalks, husks and improperly filled ears, and convert to bushels. Corn picked by machine in dry weather often carries a high percentage of husks and appropriate deductions should be made. Inspectors in determining the percent of deductions should take into consideration that if all the husks remained on the ears from 20 to 25 percent more space per bushel would be required to store the corn.

Item 19. Indicate net bushels (Item 17 minus Item 18).

Item 20. List the names of all lienholders.

Item 21. If the producer is a tenant, indicate the date of the expiration of his lease.

Item 22. If the producer is a tenant, indicate the landlord's name and address.

Item 23. Indicate the delivery point at which the producer agrees to deliver the corn in case the loan is called. The indicated delivery point should have railroad loading and shipping facilities. Before certifying corn loans for borrowers having less than car loads, the county committee should arrange for delivery to points where the corn collateral can be concentrated into car load shipments.

Item 24, 25 and 26 are for use by the State committee.

Sealing. If the inspector believes the collateral and storage structure are acceptable for a loan he should close the crib and attach the official seal thereon before leaving the premises.

Certification. At the time the inspector attaches the seal to the crib, he should place a number upon the seal in the space provided therefor and enter the same number in the space provided in the upper right-hand corner of the Work Sheet. He should then sign the certification provided on the Work Sheet and forward both copies of the Work Sheet with the sample to the State office.

TAKING REPRESENTATIVE SAMPLE

The taking of a representative sample is the most important part of the inspector's work. The county committee will supply the inspector with an approved ear corn probe for taking the samples. The inspector should take the corn samples from several different locations in the crib being careful to obtain samples from near the bottom of the crib where the early picked corn may be located. He should also probe those spots where there may be damage due to accumulation of shelled corn or trash such as under the conveyor spout if the crib was filled with an elevator.

The corn samples from each probe should be examined carefully. If the inspector finds that the corn is heating, infected with insects, or otherwise obviously below the grade requirements, he shall withhold recommendation of the collateral for a loan, and immediately inform the producer.

If the corn appears to be eligible for a loan, the inspector should at once thoroughly blend the samples taken from the crib and a representative portion of this mixture shall be placed in the moisture-proof containers supplied by the county committee. The work sheets should be inserted between the inner cellophane envelope containing the moisture sample and the Kraft envelope so that the forms will not absorb moisture from or impart moisture to the sample. Samples of corn must be mailed the same day they are obtained.

Corn Loan 5

(This form is to be used only where a local lending agency is named as the payee in the note on 1938-39 CCC Corn Form A. A duplicate should be retained by the producer as his receipt.)

PRODUCER'S LETTER OF TRANSMITTAL TO LOCAL
LENDING AGENCY

Local Lending Agency

_____, 193 _____

Address

Gentlemen:

The undersigned producer tenders herewith for loan (its note in the
amount of \$ _____ (his
dated _____ secured by corn.

You are requested to make funds available in the following manner:

(Signature of Producer)

By

(For Corporate Signature Only)

(Post Office Address of Producer)

WITNESS:

(For Use Only if Producer Signs by Mark)

State and county committees will mimeograph this form as needed.



UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

DEC 10 1938

INSTRUCTIONS FOR STATE AND COUNTY COMMITTEES FOR DETERMINING ELIGIBILITY AND COMPLETING DOCUMENTS FOR LOANS ON 1938 CORN

INTRODUCTION

The loan program for the 1938 corn crop has been formulated under authority of the Agricultural Adjustment Act of 1938, as amended. The program provides loans on corn produced in the commercial corn area at the rate of 57 cents per bushel and on corn produced outside the commercial corn area at 43 cents per bushel. Loans on corn in the commercial corn area and in the northern counties of the noncommercial corn area will be made only on ear corn in farm storage, and loans on corn produced in the southern counties of the noncommercial corn area, where insect infestation is serious, will be made only on shelled corn stored in approved warehouses.

Part I.—LOANS ON CORN IN FARM STORAGE

In the commercial corn area and the northern noncommercial area (listed in Section 2-a and Section 2-b of 1938-39 CCC Corn Form 1), loans will be made only on 1938 ear corn in farm storage.

1. GENERAL INSTRUCTIONS

These instructions are similar to those pertaining to loans on 1937 ear corn and should be thoroughly understood and followed by each person working with loans. The loans are chattel mortgage loans and the loan documents must be accurate, properly signed, complete, and filed of record with the proper county official to be acceptable and avoid delay. No partial releases of collateral will be permitted. Producers having more than one crib, who may desire individual releases on each crib, should place individual cribs under separate mortgages.

State and county committees will be governed in the inspection and sealing of corn as collateral for 1938-39 corn loans by Commodity Loan Regulations No. 1, "Regulations Governing Inspection and Sealing of Agricultural Commodities on the Farm to be used as Collateral for Loans, and the Completion of Loan Documents, Pursuant to the Provisions of the Agricultural Adjustment Act of 1938, as amended."¹

¹ In establishing the sealing fee as provided in Section 203 of commodity loan regulations, the county and State committees should take into consideration the possibility that one-tenth of a cent per bushel of the fee may be required to defray the expenses of operating the testing laboratory and the purchase of equipment and supplies for the laboratory.

2. APPLICANTS

Producers desiring loans should make application to the county agricultural conservation committee (hereinafter called the county committee). The county committee should explain the program to the producer. If it appears that the producer and his corn are eligible for a loan, the county committee should collect the preliminary inspection fee of \$3 and instruct the inspector to make an inspection and complete a work sheet (Corn Loan 1).

The inspector should make a preliminary inspection of the corn and the storage structure. If he considers them eligible for a loan he will then measure the corn, complete a work sheet (Corn Loan 1), and take a representative sample of the corn to be forwarded to the State office for a moisture determination. The inspector must use an ear corn probe for taking the sample and should place a seal upon the crib before leaving the premises.

3. PRODUCER ELIGIBILITY

As defined in 1938-39 CCC Corn Form 1 an eligible producer for any farm in the commercial corn area shall be any person, partnership, association, or corporation producing corn as landowner, landlord, or tenant, upon whose farm the 1938 field corn acreage does not exceed the corn acreage allotment established for the farm, pursuant to Title III of the Agricultural Adjustment Act of 1938; and in the noncommercial corn area, an eligible producer shall be any person, partnership, association, or corporation, producing corn as landowner, landlord, or tenant, upon whose farm the total 1938 acreage of soil-depleting crops does not exceed the total acreage allotment for soil-depleting crops established for the farm pursuant to the provisions of the 1938 Agricultural Conservation Program.

The eligibility requirements pertaining to the 1938 corn acreage and soil-depleting acreage apply individually to each farm as determined under the 1938 Agricultural Conservation Program. Any producer upon whose farm the applicable acreage allotment has been exceeded claiming eligibility on the grounds of having *not knowingly* exceeded such allotment, may present evidence in support of his claim to the county committee. The producer's claim of eligibility may be granted if he can establish to the satisfaction of the county and State committees that—

(1) The acreage allotment for his farm was not available before he had completed planting, and

(a) His plantings of corn do not exceed 90 percent of his usual acreage of corn if the farm is in the commercial corn area; or

(b) His plantings of total soil-depleting crops do not exceed 94 percent of his usual total soil-depleting acreage if the farm is in the noncommercial corn area in area A (as defined in Section XVIII-ACP-1938-9); or

(c) His plantings of total soil-depleting crops do not exceed the total soil-depleting acreage allotment by more than 2 percent if the farm is in the noncommercial corn area in area B (as defined in Section XVIII-ACP-1938-9); or

(2) The acreage allotment shown on the original notification for his farm was larger than the correct acreage allotment, and such incorrect allotment was not exceeded; or

(3) His plantings were based on the last recorded field measurements made under the Agricultural Conservation Program which after planting were determined to be incorrect; or

(4) His overplanting did not exceed 2 percent and the excess was due to his unintentional errors in determining the size of fields.

If overplanting resulted from the producer's failure to obtain information which was available to him regarding his farm acreage allotment, his claim of eligibility shall not be granted. The county committee will review all claims of eligibility and make its recommendation with regard thereto to the State committee for final determination.

When a producer stores corn for a loan in a county other than the county in which the corn was produced, the committee for the county where the corn is stored must secure a written certification of eligibility from the county committee where the corn was produced before certifying the loan. In case the corn is stored in a county where the loan rate is different than the rate for the county where the corn was produced, the latter loan rate will prevail and the loan documents must be accompanied with a certification as to the county in which the corn was produced. The loan rate on purchased corn will be the same as the loan rate for the county where the producer qualified as an eligible producer in 1938.

4. ELIGIBLE CORN

The county committee should inform the producer that the corn must meet the following requirements to be eligible for a loan. Eligible corn shall be merchantable field corn produced in 1938, husked and in the ear, which contains not more than 20½ percent moisture and which otherwise grades No. 3 or better, as defined in the Official Grain Standards of the United States on the basis of a representative sample taken from each crib of corn offered as collateral for a loan, provided that:

(1) The beneficial title to such corn is and always has been in the eligible producer; or

(2) Such corn was purchased in accordance with the following: An eligible producer who will operate a different farm in 1939 from that operated in 1938 may purchase corn produced by an eligible producer and place such corn under a loan. The number of bushels of such purchased corn which may be placed under loan shall not exceed the number of bushels of corn produced in 1938 by the producer on the farm operated by him as an eligible producer in 1938. In such cases, the corn produced by the producer on the farm he operated in 1938 shall not be eligible for a loan to such producer to the extent that corn purchased, as provided in this paragraph, is placed under loan.

5. ELIGIBLE STORAGE STRUCTURES

Shall consist of cribs which are of such substantial and permanent construction as to afford safe storage of corn for a period of 2 years and afford protection against rodents, other animals, thieves, and

weather, as determined by the county agricultural conservation committee. **Location:** The crib should be a separate unit located in or near the farmstead group for protection against loss by theft, and located on a well-drained site safe from damage by floods or surface water; also far enough away from other buildings, and hay and straw stacks to avoid danger from fire. Cribs located in **enclosed** buildings where livestock is housed **will not** qualify as eligible storage. **Foundation:** Substantial enough to bear the load of corn and crib without the possibility of its settling to an extent which might cause the crib to warp and break open. **Floor:** Strongly constructed and high enough above the ground level to facilitate ventilation and afford protection against damage to the stored corn from moisture and rodents. **Walls: Slatted, cribbed, or ventilated on both sides**, beginning at the floor line. **Width:** Sufficiently narrow to afford ample cross ventilation to dry out corn under the prevailing climatic conditions of the locality where the crib is situated (as defined in section 6 hereof). **Roof:** Tight and substantial enough to protect the corn against prevalent weather conditions for a period of 2 years. **Structure:** The crib must be completely and securely enclosed and sealed in such manner as to require a forceful breaking to make an entry therein.

6. ACCEPTABLE CRIB WIDTH

The most important dimension to be considered in the safe storage of corn is **width**. A map showing recommended maximum width for rectangular cribs in the commercial corn area is shown on page 5 of the Bulletin entitled "Corn Storage in the Ever-Normal Granary."

State and county committees are hereby instructed to reject corn offered as collateral for a loan which is stored in a crib having a width greater than the recommended width for the county, unless the moisture content of the corn is at least 1 percent less than 20½ percent for each foot or fraction thereof in excess of the recommended width. In the case of round cribs with center ventilator the distance from the ventilator to the outside wall shall constitute the **width**, and for round cribs without center ventilator the width shall be two-thirds of the diameter.

Illustration: If the recommended width of the cribs for the county is 7 feet and a crib containing corn offered as collateral is 10 feet wide, the corn will be rejected if it tests more than 17½ percent moisture. Cribs which exceed the recommended width by more than 3 feet may be accepted with corn containing not in excess of 17½ percent moisture provided both side walls are well ventilated.

North Central Region: The crib widths for this region as recommended by the United States Department of Agriculture are as follows:

Illinois:

6-foot area.—Lake and McHenry Counties.

7-foot area.—Boone, Carroll, Cook, De Kalb, Du Page, Grundy, Iroquois, Jo Daviess, Kane, Kankakee, Kendall, La Salle, Lee, Stephenson, Whiteside, Will, and Winnebago.

8-foot area.—All other counties.

Indiana:

6-foot area.—Allen, Elkhart, De Kalb, Kosciusko, La Porte, Lagrange, Marshall, Noble, Stark, Steuben, St. Joseph, and Whitley.

7-foot area.—Adams, Benton, Blackford, Carroll, Cass, Clinton, Delaware, Fayette, Franklin, Fulton, Grant, Hamilton, Hancock, Henry, Howard, Huntington, Jasper, Jay, Lake, Madison, Miami, Newton, Porter, Pulaski, Randolph, Rush, Tippecanoe, Tipton, Union, Wabash, Wayne, Wells, White.

8-foot area.—All other counties.

Iowa:

6-foot area.—Allamakee, Clayton, Howard, Winneshiek.

7-foot area.—Buchanan, Black Hawk, Bremer, Butler, Cerro Gordo, Chickasaw, Clinton, Delaware, Dickinson, Dubuque, Emmet, Fayette, Floyd, Franklin, Hancock, Jackson, Jones, Kossuth, Mitchell, Osceola, Winnebago, and Worth.

8-foot area.—All counties not listed in other three areas.

9-foot area.—Adams, Cass, Fremont, Harrison, Mills, Montgomery, Page, Pottowattamie, Shelby, and Taylor.

Michigan:

6-foot area.—All counties.

Minnesota:

6-foot area.—All counties not in 7-foot area.

7-foot area.—Brown, Blue Earth, Cottonwood, Faribault, Freeborn, Jackson, Lincoln, Lyon, Martin, Murray, Nobles, Pipestone, Rock, Watonwan, Waseca, and Redwood.

Missouri:

8-foot area.—All counties except those in the 9-foot area.

9-foot area.—Andrew, Atchison, Bates, Barton, Buchanan, Cass, Clay, Clinton, De Kalb, Gentry, Holt, Jackson, Jasper, McDonald, Newton, Nodaway, Platte, Vernon, and Worth.

Nebraska:

8-foot area.—Cedar, Dakota, Dixon, Thurston, and Wayne.

9-foot area.—All counties not listed in the other two areas.

10-foot area.—Adams, Buffalo, Clay, Chase, Custer, Dawson, Dundy, Fillmore, Franklin, Frontier, Furnas, Gosper, Hall, Hamilton, Harlan, Hayes, Hitchcock, Howard, Jefferson, Kearney, Keith, Lincoln, Merrick, Nuckolls, Phelps, Perkins, Red Willow, Saline, Sherman, Thayer, and Webster.

Ohio:

6-foot area.—Allen, Ashland, Ashtabula, Carroll, Columbia, Coshocton, Cuyahoga, Crawford, Defiance, Erie, Fulton, Geauga, Hancock, Harding, Harrison, Henry, Holmes, Huron, Jefferson, Knox, Lake, Lorain, Lucas, Marion, Mahoning, Medina, Morrow, Paulding, Putnam, Portage, Ottawa, Richland, Sandusky, Stark, Seneca, Summit, Trumbull, Tuscarawas, Van Wert, Wayne, Williams, Wood, and Wyandot.

7-foot area.—All other counties.

South Dakota:

6-foot area.—Brown, Campbell, Clark, Codington, Day, Deuel, Edmunds, Faulk, Grant, Hamlin, Marshall, McPherson, Potter, Roberts, Spink, and Walworth.

7-foot area.—All counties not listed in the other two areas.

8-foot area.—Bon Homme, Charles Mix, Clay, Douglas, Gregory, Hutchinson, Lincoln, Turner, Union, and Yankton.

Wisconsin:

6-foot area.—All counties.

Other Regions.—The recommended crib width shall not be in excess of the width considered practicable for safe storage in the county as determined by the State and county committees.

7. LIENS

The inspector will secure from the applicant the names of lienholders having liens on the corn offered as collateral. These names shall be listed on the work sheet. If there are no lienholders, the word "none" should be entered.

Prior to the preparation of the note and mortgage, the county committee shall have the list of lienholders supplied by the producer checked with the county records to be certain that all existing liens of record in force with respect to the corn are known. These records are so maintained that a representative of the county committee, once the method of keeping them is explained to him, will have no difficulty in quickly ascertaining the existence of any liens of record with respect to corn offered as collateral for a loan. The person checking the records should make a memorandum of the liens so that waivers may be secured. It may be practical for the county committee to arrange with the county recording official for a lien abstract. 1938-39 Corn Form A-1 provides for the listing of lienholders and their waivers. Corn Form 1 gives this duty to the producer; however, the county committee may be of service and expedite the approval of the loan.

8. CORN PRODUCER'S NOTE; ADVICE OF LOAN AND CHATTEL MORTGAGE

1938-39 CCC Corn Form A, "Corn Producer's Note", with "Advice of Loan" attached is printed separately from the "Chattel Mortgage", 1938-39 CCC Corn Form A-1. Corn Form A is printed in duplicate, the original copy when signed by the producer is to be transmitted to the payee, and the second copy, unsigned, is to be retained by the producer.

Corn Producer's Note.—The amount of the loan in dollars must conform to the amount entered in column "e," Section 1, of the chattel mortgage. If the loan is made directly from the Commodity Credit Corporation, "Commodity Credit Corporation" should be typed in as the payee. If the loan is made with a bank or other local lending agency, the name of the local lending agency should be designated as the payee. The signature of the producer must conform to his name as typed on the note, advice of loan, and chattel mortgage. The note must also bear the signature of a witness, and be dated when signed by the producer.

The date on the note must be identical with the date on the chattel mortgage. The serial number on the note must include the State and county code numbers (illustration: 42-55-01) and correspond with the serial number on the chattel mortgage.

Advice of Loan.—The advice of loan must be completed, detached, and mailed to the Commodity Credit Corporation, Washington, D. C., upon the acceptance of a loan by the lending agency and may as a matter of convenience be completed in the county office. The name of the State and county and the serial number of the loan as indicated in the upper right-hand corner of Corn Form A-1 should be typed in the space immediately under the words "Advice of Loan."

Enter in the spaces provided in the schedule the producer's name and address (city, county, and State) which should be the same as that given immediately below the title on the chattel mortgage, the date of the note as indicated in the upper right-hand corner of the note, the net number of bushels of corn which should be the same as the total in column (c) in the schedule in Section 1 of the chattel mortgage, and the amount of the loan which should be the same as that entered in the note and as the total in column (e) of the schedule in Section 1 of the chattel mortgage. Also type in the space provided, the name and address of the lending agency.

Chattel Mortgages.—The chattel mortgage (Corn Form A-1) is printed in triplicate and must be prepared in the office of the county committee. If a fourth copy is desired for filing in the county association office, an additional copy may be added in preparation. Each chattel mortgage shall be assigned a serial number which is to be used in connection with the State and county code numbers. In the upper right-hand corner of Corn Form A-1, type the State and county names, then insert the serial number (illustration: 42-55-07). Such serial numbers shall be assigned consecutively, typed on the note and should also be entered below the seal number in the upper right-hand corner of the work sheet (Corn Loan 1). The producer's address may be outside the county where the collateral is stored and should be carefully typed under the heading "Chattel Mortgage." The amount of the loan, date, and payee, typed under this heading, must conform with that stated on the note.

- A. Section 1 of Corn Form A-1 requires a legal description of the premises on which the corn is stored² and a schedule of the collateral as follows: (a) Seal number on crib; (b) moisture percentage; (c) number of bushels as finally computed on the work sheet for a loan; (d) loan value; and (e) the amount of the loan in dollars, which must conform to the amount listed in the note.
- B. Section 2, paragraph C of Corn Form A-1 requires a statement as to tenancy. Insert applicable word in paragraph (e).
- C. Section 10 of the Corn Form A-1 provides for signatures, witnesses, and the acknowledgment. Signatures and authorizations should be in accordance with Form ACP-16, "Instructions on Signatures and Authorizations," issued by the Agricultural Adjustment Administration October 1, 1936.
- D. Section 11 of Corn Form A-1 provides for the listing of the names of lienholders, if any, and their waivers. If there are no lienholders, insert the word "none." The names and signatures in this section must be the same as on the recorded liens.

² In areas where land is not sectionalized, the common description shall be used, such as—

Situated on the _____ Highway _____, _____ miles
 of _____ in the County of _____
 in the State of _____, known as the _____ farm,
 containing about _____ acres, and which lands are bounded on the North by _____
 _____, on the South by _____, on the East by _____
 _____, on the West by _____.

- E. Section 12. The producer must secure consent for storage as provided by section 12 of Corn Form A-1. This may be done at the time the landlord's waiver of lien is secured. If any tenancy, other than that indicated in Corn Form A-1 exists, such person should also sign the consent for storage.
- F. Section 13 of Corn Form A-1 provides for certification by a member of the county committee for and on behalf of the county committee. After preparation of Corn Form A-1 it should be carefully checked to be sure it is complete and proper. **In no event** shall the county committee **certify** a loan until the following **loan documents are complete and properly signed**. The date of certification must be the same date or a date subsequent to the date on the note and mortgage.

1. Corn Producer's Note (1938-39 CCC Corn Form A).
2. Chattel Mortgage (1938-39 CCC Corn Form A-1).
3. Certificate of Insurance.
4. Producer's Letter of Transmittal to Commodity Credit Corporation (1938-39 CCC Corn Form B) or Producer's Letter of Transmittal to Local Lending Agency (Corn Loan 5), whichever is applicable.

9. AMOUNT OF LOAN

Loans on ear corn in farm storage will be made at the rate of 57 cents per bushel for corn produced in the commercial corn area and at the rate of 43 cents per bushel for corn produced in the noncommercial corn area. Loans will not be made on corn with a moisture content greater than $20\frac{1}{2}$ percent, and a bushel of ear corn shall be $2\frac{1}{2}$ cubic feet of corn testing not more than $15\frac{1}{2}$ percent moisture.

In the case of corn offered for collateral with a moisture content between $15\frac{1}{2}$ and $20\frac{1}{2}$ percent, the loans will be made at the full rate per bushel but deductions will be made in the total volume of the corn to offset the shrinkage which will take place as the corn dries out. Deductions for moisture content will be made in accordance with the following schedule:

Moisture content	Deduction	Moisture content	Deduction
$15\frac{1}{2}$ to $16\frac{1}{2}$ percent.	2 percent.	$18\frac{1}{2}$ to $19\frac{1}{2}$ percent.	8 percent.
$16\frac{1}{2}$ to $17\frac{1}{2}$ percent.	4 percent.	$19\frac{1}{2}$ to $20\frac{1}{2}$ percent.	10 percent.
$17\frac{1}{2}$ to $18\frac{1}{2}$ percent.	6 percent.	Above $20\frac{1}{2}$ percent.	No loan.

10. FILING OF CHATTEL MORTGAGE

Corn Form A-1 should be filed of record with the proper county recording official in accordance with the instructions contained in CCC Corn Form 1. In the event the mortgage is not accepted by Commodity Credit Corporation as a direct loan or when offered for purchase to the Corporation by a local lending agency and it is necessary to complete a new mortgage, the original mortgage should be released of record at the time the new mortgage is filed. It is the duty of the mortgagee to release the mortgage from record. In all cases where the Commodity Credit Corporation is the mortgagee the county committee is authorized to release the mortgage. In cases where a local lending agency is the mortgagee such lending agency should release the mortgage from record and return it to the county

committee or return it to the county committee with instructions to release.

Releases may be made by filing a separate instrument or by a margin release on the county records. Information regarding releases may be secured from the office of the recording official.

11. INSURANCE

There are two types of insurance coverage in connection with the corn loan program. These coverages are referred to as *primary* insurance and *secondary* insurance. The producer must obtain the primary insurance coverage on the corn and submit evidence of the same in the form of a complete certificate of insurance as shown in CCC Corn Form 1. The secondary insurance refers to the blanket policy carried by the Commodity Credit Corporation to protect it against errors or omissions in the primary insurance coverage, e. g., failure of primary insurance company to pay loss, or a loss on account of theft, conversion, and certain other risks not covered by the primary insurance carried by producers. The cost of this insurance will be added as a charge to the amount of the loan at the time the loan is paid. The rate of this insurance is $\frac{3}{4}$ cent per \$100 per month on the daily average balance of loans carried by the Commodity Credit Corporation. The charge made to the borrower is only for the time his note is held by the Commodity Credit Corporation.

12. TRANSMITTAL OF LOAN DOCUMENTS

Corn Form A and Corn Form A-1 duly stamped by the proper county recording official and the insurance certificate should be submitted to the payee together with a letter of transmittal. If the producer's note is direct to the Commodity Credit Corporation as payee, 1938-39 CCC Corn Form B must be used and the loan documents submitted to the Reconstruction Finance Corporation agency serving the area. If the loan is to be carried by a local lending agency the loan documents should be submitted to such agency with Corn Loan 5 (Producer's Letter of Transmittal to Local Lending Agencies) attached. Letters of transmittal are for the purpose of identifying the person transmitting the note and mortgage and to advise the lending agency to whom the proceeds of the loan should be paid.

13. RECORD OF CERTIFICATIONS

A summary record of all certifications made by the county committee recommending producers for corn loans will be maintained on form Corn Loan 4 entitled "County Committee Report of Corn Loans Certified." This form is to be prepared in triplicate, one copy to be retained in the county office and two copies to be sent to the State committee on the first and sixteenth days of each month during the loan period. The State committee shall forward one copy to the office of the Regional Director.

14. DETERMINATION OF THE AMOUNT OF THE LOAN

All calculations made on the work sheet in arriving at the net quantity of corn for a loan should be recomputed by the county committee.

The number of cubic feet of ear corn less the space occupied by ventilators, cross ties, braces, etc., should be divided by $2\frac{1}{2}$ or multiplied by 0.4 to determine the number of bushels.

15. FIDUCIARIES

In the several States where corn loans are being made the laws pertaining to fiduciaries and their authority differ widely. County committees are therefore advised that all chattel mortgages (Corn Form A-1) used to obtain loans on corn held by fiduciaries in their fiduciary capacity (executors, administrators, guardians, trustees, receivers, conservators, liquidators, etc.) be prepared as direct loans, designating the Commodity Credit Corporation as payee and submitting the same to the R. F. C. Loan Agency serving the area. Evidence of authority to act in a fiduciary capacity must be attached to the chattel mortgage. This will make it possible for the Commodity Credit Corporation to examine each set of loan documents submitted by a fiduciary in his fiduciary capacity before the loan is completed. It will also avoid the possibility of local lending agencies requiring improperly executed or authorized loan documents which are not acceptable to the Commodity Credit Corporation.

Part II.—INSTRUCTIONS FOR INSPECTORS, COMPLETION OF WORK SHEETS, AND THE TAKING OF REPRESENTATIVE SAMPLES

The inspector will proceed with the completion of the work sheet in accordance with the instructions contained herein, the taking of a representative sample of the corn, and the mailing of the franked and addressed moisture-proof containers used to ship representative samples of corn to the State office or laboratory designated by the State committee. Work sheets for each inspection should be signed by the chairman of the county committee or secretary of the county association and supplied the inspector in order that he may place the sample and work sheet in the mail for transmission to the State office without returning to the county office.

County committees should supply their inspectors with the bulletin entitled "Corn Storage in the Ever-Normal Granary" (38-Corn-2). Inspectors should study this bulletin thoroughly before starting their inspection work and give copies to producers who are interested in improving their corn storage structures.

Moisture and grade determination.—The space for certifying the determination of moisture and grade are for the use of the State office.

PREPARATION OF WORK SHEET

Inspectors shall follow these instructions in making inspections of and classifying the various parts of a crib, taking corn measurements, and recording of such data on the work sheet. Inspectors should suggest to producers whose cribs do not conform to the requirements, the repairs or improvements necessary to meet the requirements. A work sheet must be completed for each crib of corn offered as collateral for a loan.

GENERAL INFORMATION

Indicate by check mark (✓) where possible.

Item 1.—Print the borrower's name as it is to appear on the note and loan documents. The borrower's address must be given. Indicate whether owner or tenant by striking the word not applicable.³

Item 2.—Give the distance and general direction from the nearest city or town and the legal description of the property upon which the crib is located.

Item 3.—A separate structure especially constructed for corn storage is desirable. Such structures usually offer more protection from rodents, and ordinarily the fire hazard is not so great. A crib built in enclosed livestock quarters will not be acceptable.

Cribs built as a part of machine sheds and other buildings which do not house livestock may be acceptable. Extra precaution should be taken by the producer to protect the corn in such cribs from rodents.

If the crib is not a part of the farmstead group and is in an isolated location, extra precaution should be taken by the producer to prevent theft of the corn collateral.

Cribs located on river or creek bottom land, subject to overflow, are not suitable storage structures and should not be sealed for that purpose.

Indicate what kind of structure, if any, the crib is located in; the number of feet the structure is from the nearest building; whether the storage structure is a part of the farmstead group; whether the land on which the structure is located is subject to overflow; and indicate exposure to winds.

CONSTRUCTION OF CRIB

Item 4.—A crib may be built of different materials, but must meet the following general requirements to be acceptable: (1) Hold the corn without loss of quantity; (2) protect the corn from rain, snow, and ground water; (3) provide reasonable protection from damage by mice, rats, and other animals; (4) provide reasonable protection against loss by fire or wind; (5) permit free ventilation through the side walls. Cribs which do not meet these requirements can often be made acceptable by repairing or rebuilding at a reasonable cost.

The dimensions requested in item 4 are the over-all measurements of the crib structure, namely, width, length, height of outside wall at the eave plate and diameter if the building is round.

Item 5.—A good foundation is very essential to the life and usefulness of a crib. One of the most satisfactory types of foundation is a concrete wall extending below the frost line in the ground and above the ground level at least 18 inches. Concrete piers, stone walls, and stone piers may serve satisfactorily for small cribs but may settle unevenly when overloaded, thereby causing the building to break open and deteriorate rapidly. Wood sills and piers are frequently used for small cribs but are always subject to rapid decay, and cribs

³ County committees in the commercial corn area should indicate the corn acreage allotment for the farm on the work sheet (Corn Loan 1), preferably near the producer's name, in order that the inspector may determine the approximate maximum number of bushels of corn upon which the producer is eligible for a loan.

with this type of foundation should not be sealed for a loan if the sills and piers are in a condition which would make the storage of corn hazardous. A continuous foundation wall supporting a wooden floor should have screened openings for ventilation.

Item 6—Crib floors.—Solid concrete floors should extend at least 12 inches above the ground level. Low, concrete floors are not desirable in that they may become very wet and cause the corn in the bottom of the crib to spoil. A concrete floor with shelling trench is more desirable than a solid concrete floor, since such floors must necessarily be 18 to 24 inches above the ground level and the plank covered trench allows free circulation of air under and into the bottom of the crib.

Wood floors built on a proper foundation are ordinarily never constructed so tightly but that they allow ventilation in the bottom part of the crib, and this enables the corn in the lower part of the crib to dry out, whereas if it were not for this ventilation the corn might spoil. Such floors should be from 12 to 24 inches above the ground level. This affords protection against moisture and allows better ventilation under the crib. Any crib which is high enough above the ground so that cats and dogs can run underneath the floor will be relatively free from rodents.

Steel cribs are frequently constructed with metal floors. Such floors should be at least 8 inches above the ground. A good precaution before filling such crib with corn is to lay a board floor on the metal in order to prevent the corn in the bottom of the crib from spoiling.

Item 7.—Crib walls must be strong enough and properly braced to withstand the outward and downward pressure of the corn. Studs should be securely attached to the floor and of such dimension and spacing as is necessary to withstand the pressure of stored corn. Horizontal beveled boards with 1-inch spacing are preferred for siding. Tight siding should extend down from the plate line one-fifth to one-third the height of the wall. When wire or slat cribbing is used crib boards or metal extending upward 2 feet from the floor should be used to protect the corn from poultry and small livestock.

Item 8.—Proper bracing is one of the most important features of good crib construction. A great amount of material in braces is not necessary, but the proper choice and placing of this material and good fastenings are highly important. Cross ties of wire or steel rods are usually undesirable. Desirable types of crib bracing are described and illustrated in the bulletin entitled "Corn Storage in the Ever-Normal Granary."

Item 9.—The inspector should see that the roof is tight, substantial, and well nailed. Roll roofing is subject to wind destruction and ordinarily not satisfactory as a covering for a permanent roof.

Item 10.—Crib walls should be slatted or have ventilation openings on both sides upward from the floor line to permit cross ventilation. Small cribs should be slatted the full height except for 18 to 24 inches under the eaves. High cribs should be tight-sided downward one-fifth to one-third the distance from the upper plate line. Ventilators or flues may be necessary to accelerate drying of the corn.

Item 11.—Crisbs must be completely and securely enclosed so as to require a forceful breaking to make entry.

Item 12.—Indicate method of harvesting and date started.

MEASUREMENTS AND QUANTITY DETERMINATION

If the county committees will have inspectors use steel tapes which indicate the measurements in feet and **tenths**, they will secure more accuracy in measurement and find computations much easier to make.

Item 13.—All figures listed under this item must be actual measurements, not estimates. The measurements of the corn must be inside crib measurements and must be taken very carefully. Before measuring the height of the corn, the inspector should insist that the corn be leveled off evenly. Extreme care should be taken in measuring the diameter of a round crib. The inspector should get inside on top of the corn to measure the inside diameter of the crib and the outside diameter of the ventilator, if any.

Item 14.—The volume of a rectangular crib is computed by multiplying the width by the length by the height, which gives the cubic feet.

The volume of a round crib is computed by multiplying 0.7854 (one-fourth of pi 3.1416) times the square of the inside diameter and multiplying the product by the average depth of the corn. (Formula $0.7854 \times D^2 \times H = \text{cubic feet}$). If the bin has a round ventilator, the square of the outside diameter of the ventilator should be deducted from the square of the inside diameter of the crib before multiplying. (Formula $0.7854 \times (D^2 - d^2) \times H = \text{cubic feet}$), or the volume of the crib and ventilator may be computed separately using the first formula, then subtracting the volume of the ventilator from the volume of the crib.

Item 15.—Where cribs of any type contain chutes, ventilators, stud, cross ties, etc. (not including ventilators referred to in item 14), which take up space included in the over-all measurements of the corn, careful measurements should be taken and the total volume in cubic feet should be shown on item 15.

Item 16.—Deduct item 15 from item 14. The result is the volume of stored corn in cubic feet.

Item 17.—Item 16 may be transferred to bushels by merely dividing the number of cubic feet by $2\frac{1}{2}$, or multiplying by 0.4, either of which will give the result in bushels.

Item 18.—Indicate deduction in percent for excess stalks, husks, and improperly filled ears, and convert to bushels. Corn picked by machine in dry weather often carries a high percentage of husks and appropriate deductions should be made. Inspectors in determining the percent of deductions should take into consideration that if all the husks remained on the ears from 20 to 25 percent more space per bushel would be required to store the corn.

Item 19.—Indicate net bushels (item 17 minus item 18).

Item 20.—List the names of all lienholders.

Item 21.—If the producer is a tenant, indicate the date of the expiration of his lease.

Item 22.—If the producer is a tenant, indicate the landlord's name and address.

Item 23.—Indicate the delivery point at which the producer agrees to deliver the corn in case the loan is called. The indicated delivery point should have railroad loading and shipping facilities. Before certifying corn loans for borrowers having less than car loads, the county committee should arrange for delivery to points where the corn collateral can be concentrated into car load shipments.

Items 24, 25, and 26 are for use by the State committee.

Sealing.—If the inspector believes the collateral and storage structure are acceptable for a loan he should close the crib and attach the official seal thereon before leaving the premises.

Certification.—At the time the inspector attaches the seal to the crib he should place a number upon the seal in the space provided therefor and enter the same number in the space provided in the upper right-hand corner of the work sheet. He should then sign the certification provided on the work sheet and forward both copies of the work sheet with the sample to the State office.

TAKING REPRESENTATIVE SAMPLE

The taking of a representative sample is the most important part of the inspector's work. The county committee will supply the inspector with an approved ear corn probe for taking the samples. The inspector should take the corn samples from several different locations in the crib being careful to obtain samples from near the bottom of the crib where the early picked corn may be located. He should also probe those spots where there may be damage due to accumulation of shelled corn or trash such as under the conveyor spout if the crib was filled with an elevator.

The corn samples from each probe should be examined carefully. If the inspector finds that the corn is heating, infested with insects, or otherwise obviously below the grade requirements, he shall withhold recommendation of the collateral for a loan, and immediately inform the producer.

If the corn appears to be eligible for a loan, the inspector should at once thoroughly blend the samples taken from the crib and a representative portion of this mixture shall be placed in the moisture-proof containers supplied by the county committee. The work sheets should be inserted between the inner cellophane envelope containing the moisture sample and the Kraft envelope so that the forms will not absorb moisture from or impart moisture to the sample. Samples of corn must be mailed the same day they are obtained.

Part III.—LOANS ON CORN STORED IN APPROVED WAREHOUSES

(For Use in Southern Noncommercial Corn Area Only)

1. GENERAL INSTRUCTIONS

In the southern noncommercial area (listed in Section 2-c of 1938-39 CCC Corn Form 1) loans at 43 cents per bushel will be available to "an eligible producer" on shelled corn of the 1938 crop, which grades No. 3 or better and has a moisture content not exceeding 14.0 percent; provided that (1) such corn is stored in an ap-

proved warehouse and, (2) the beneficial title thereto is and always has been in the eligible producer. Loans are made available in this area only on corn stored in warehouses because the insect hazard is too great for safe farm storage over long periods of time.

All loans upon shelled corn stored in approved warehouses are to be direct loans from Commodity Credit Corporation; consequently, the Corporation will be the payee of the producer's note.

Producers desiring loans will make application to the county committee. The committee will determine the producer's eligibility in accordance with the provisions of Section 2 of Part I of these instructions. Upon the completion of the loan documents the committee will, in accordance with Commodity Loan Regulations No. 1, issued July 20, 1938, collect from the producer a fee of \$1.50.

Prior to preparation of the note and loan agreement the county committee will secure from the applicant the names of lienholders having liens on the corn offered as collateral, and will have the county records checked to be certain that all existing liens of record are known.

2. APPROVED WAREHOUSE RECEIPTS

In order that a warehouse be approved the warehouseman must have executed an agreement with Commodity Credit Corporation on 1938-39 CCC Corn Form H "Warehouse Agreement." Warehousemen desiring information as to approval should communicate with the loan agency of the Reconstruction Finance Corporation serving the area. A list of approved warehouses may be secured from any loan agency of Reconstruction Finance Corporation. Producers desiring loans upon shelled corn stored in approved warehouses are required to offer an approved warehouse receipt as evidence of their ownership of the corn.

3. COMPLETION OF CORN PRODUCER'S NOTE AND LOAN AGREEMENT

1938-39 CCC Corn Form AA, "Corn Producer's Note and Loan Agreement", is printed in duplicate and must be completed in the office of the county committee. The original copy of Corn Form AA goes to the Commodity Credit Corporation and the duplicate copy is to be retained by the producer. If a copy is desired for filing in the county association office, an additional copy may be added in preparation.

Each note and loan agreement shall be assigned a serial number which is to be used in connection with the State and county code numbers. In the upper right-hand corner of Corn Form AA, type the State and county names, then insert the serial number (illustration: 42-55-07). Such serial numbers shall be assigned consecutively in the county and typed on the note.

Corn producer's note.—The amount of the loan in dollars must conform to the amount entered in column (g), Section 1 of the loan agreement. All loans on corn stored in approved warehouses are to be direct loans. The signature of the producer must conform to his name as typed on the loan agreement, the note must bear the signature of a witness, and be dated when signed by the producer.

Loan agreement.—The corn producer's address may be outside the county in which the corn was produced and should be carefully typed under the heading "Loan Agreement."

- A. Section 1 of Corn Form AA includes a "Schedule of Warehouse Receipts" and must be completed as to (a) name and address of warehouse and *not* the name and address of owner or lessee who may be operating the warehouse, (b) warehouse receipt number, (c) grade and color corn, (d) moisture content, (e) loan value per bushel (43 cents), (f) net bushels from the warehouse receipt, and (g) amount in dollars. Total of column (g) indicates the amount of loan to be stated in the note.
- B. In Section 2, paragraph (a), give the State and county in which the corn was **produced**.
- C. Section 6 provides for signature of the producer which must be identical with his signature on the note, and also requires the signature and address of a witness.
- D. Section 7 provides for listing of the names of lien holders, if any, and their waivers. If there are no lien holders, insert the word "none." The names and signatures in this section must be the same as on the recorded liens.
- E. Section 8 provides for certification by a member of the county committee, for and on behalf of the county committee. After preparation of Corn Form AA, it should be carefully checked to be sure it is complete and proper. **In no event** shall the county committee **certify** a loan until the following **loan documents are complete and properly signed**. The date of certification must be the same date or a date subsequent to the date on the note and loan agreement.
 - 1. Corn Producer's Note and Loan Agreement (1938-39 CCC Corn Form AA).
 - 2. Producer's Letter of Transmittal (1938-39 CCC Corn Form B).
 - 3. Warehouse receipts issued by an approved warehouse and accompanying documents as provided in Section 8 of CCC Corn Form 1.

4. TRANSMITTAL OF LOAN DOCUMENTS

1938-39 CCC Corn Form AA, "Corn Producer's Note and Loan Agreement", and 1938-39 CCC Corn Form B, "Producer's Letter of Transmittal", and the warehouse receipt, properly endorsed by the producer, together with other documents required by Section 8 of 1938-39 CCC Corn Form 1, should be submitted direct to the loan agency of Reconstruction Finance Corporation serving the area where the corn is stored. (For *Record of Certifications* see Section 11 of Part I.)